



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2008

OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Plan of Mid-Michigan

NAIC Group Code 3408 (Current Period), 3408 (Prior Period) NAIC Company Code 95849 Employer's ID Number 38-2356288

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile US

Licensed as business type:

Life Accident and Health [], Dental Service Corporation [], Health Maintenance Organization [X] Property/Casualty [], Vision Service Corporation [], Is HMO Federally Qualified? Yes () No (X) Hospital, Medical and Dental Service or Indemnity [], Other []

Incorporated/Organized December 18, 1980 Commenced Business October 1, 1981

Statutory Home Office 1400 E Michigan Avenue, Lansing, Michigan 48912 (Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1400 E Michigan Avenue, Lansing, Michigan 48912 (Street and Number, City or Town, State and Zip Code) 517-364-8400 (Area Code) (Telephone Number)

Mail Address P O Box 30377, Lansing, Michigan 48909 (Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1400 E Michigan Avenue, Lansing, Michigan 48912 (Street and Number, City or Town, State and Zip Code) 517-364-8400 (Area Code) (Telephone Number)

Internet Website Address www.phpmm.org

Statutory Statement Contact Jackie Eddy (Name) 517-364-8400 (Area Code) (Telephone Number) (Extension) jackie.eddy@phpmm.org (E-Mail Address) 517-364-8407 (Fax Number)

OFFICERS

Scott Wilkerson (President) David Vis (Assistant Secretary) Randolph Rifkin (Secretary) Chris Bergman (Treasurer)

OTHER OFFICERS

Marylee Davis, PhD (Chairperson)

DIRECTORS OR TRUSTEES

Wendell Barron Chris Bergman Martha Bibbs Richard Bruner Marylee Davis, PhD Patrick Gribben, Jr Dennis Muchmore Larry Rawsthorne, MD Randolph Rifkin Dawn Springer, MD Dennis Swan Scott Wilkerson

State of Michigan } SS County of Ingham }

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Scott Wilkerson President Randolph Rifkin Secretary David Vis Assistant Secretary

Subscribed and sworn to before me this day of a. Is this an original filing? Yes (X) No () b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Col. 1 minus Col. 2)	Prior Year Net Admitted Assets
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	15,515,101	55,029	15,460,072	17,772,899
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	1,946,625		1,946,625	2,215,242
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ (3,946,956)), cash equivalents (\$) and short-term investments (\$ 36,643,278)	32,696,322		32,696,322	48,224,873
6. Contract loans (including \$ premium notes)				
7. Other invested assets	7,439,981	740,051	6,699,930	6,839,205
8. Receivables for securities	8,539		8,539	
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 to Line 9)	57,606,568	795,080	56,811,488	75,052,219
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	81,175		81,175	210,923
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	3,162,573	720,667	2,441,906	1,342,039
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	946,293		946,293	2,246,847
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	10,213,268	10,174,740	38,528	371,643
19. Furniture and equipment, including health care delivery assets (\$)	210,037	210,037		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	5,218,671	1,570,629	3,648,042	1,075,687
22. Health care (\$ 803,175) and other amounts receivable	5,419,372	4,587,127	832,245	6,381,366
23. Aggregate write-ins for other than invested assets	413,971	413,971		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	83,271,928	18,472,251	64,799,677	86,680,724
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Totals (Line 24 and Line 25)	83,271,928	18,472,251	64,799,677	86,680,724
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. PREPAIDS	413,971	413,971		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	413,971	413,971		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ reinsurance ceded)	12,569,816	1,004,499	13,574,315	26,083,858
2. Accrued medical incentive pool and bonus amounts.	7,925,549		7,925,549	11,094,121
3. Unpaid claims adjustment expenses	869,426		869,426	1,039,068
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	2,490,779		2,490,779	1,229,997
9. General expenses due or accrued	2,895,364		2,895,364	3,460,305
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	909,566		909,566	747,714
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates	2,961,820		2,961,820	4,719,976
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ current)				
22. Total liabilities (Line 1 to Line 21)	30,622,320	1,004,499	31,626,819	48,375,039
23. Aggregate write-ins for special surplus funds	XXX	XXX		
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX		
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX		
29. Unassigned funds (surplus)	XXX	XXX	33,173,158	38,305,685
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30)	XXX	XXX	33,173,158	38,305,685
32. Total Liabilities, capital and surplus (Line 22 and Line 31)	XXX	XXX	64,799,977	86,680,724
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above)				
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	XXX	XXX		
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	390,417	511,070	658,973
2. Net premium income (including \$ non-health premium income)	X X X	132,119,083	158,929,178	207,452,283
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Line 2 to Line 7)	X X X	132,119,083	158,929,178	207,452,283
Hospital and Medical:				
9. Hospital/medical benefits		71,506,989	98,465,254	113,954,344
10. Other professional services		9,238,450	9,050,978	14,722,498
11. Outside referrals				
12. Emergency room and out-of-area		6,408,398	4,522,232	10,212,495
13. Prescription drugs		22,104,242	23,139,917	32,183,154
14. Aggregate write-ins for other hospital and medical		541,750	284,487	443,998
15. Incentive pool, withhold adjustments and bonus amounts		7,966,511	7,756,960	13,331,562
16. Subtotal (Line 9 to Line 15)		117,766,340	143,219,828	184,848,051
Less:				
17. Net reinsurance recoveries		1,539,528	4,195,887	2,567,064
18. Total hospital and medical (Line 16 minus Line 17)		116,226,812	139,023,941	182,280,987
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 287,976 cost containment expenses		3,199,731	3,833,532	5,221,023
21. General administrative expenses		9,712,823	12,592,941	15,844,557
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				
23. Total underwriting deductions (Line 18 through Line 22)		129,139,366	155,450,414	203,346,567
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	2,979,717	3,478,764	4,105,716
25. Net investment income earned		476,840	1,885,747	2,561,412
26. Net realized capital gains (losses) less capital gains tax of \$		(589,011)	7,747	245,630
27. Net investment gains (losses) (Line 25 plus Line 26)		(112,171)	1,893,494	2,807,042
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].				
29. Aggregate write-ins for other income or expenses		6,400	(5,244)	5,779
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	2,873,946	5,367,014	6,918,537
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Line 30 minus Line 31)	X X X	2,873,946	5,367,014	6,918,537
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X			
1401. OTHER MEDICAL		541,750	284,487	443,998
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		541,750	284,487	443,998
2901. OTHER INCOME		6,400	(5,244)	5,779
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		6,400	(5,244)	5,779

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
33. Capital and surplus prior reporting year	38,305,685	30,639,635	30,639,635
34. Net income (loss) from Line 32	2,873,946	5,367,015	6,918,537
35. Change in valuation basis of aggregate policy and claims reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	(2,214,959)	111,680	87,191
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(5,791,513)	1,396,809	660,322
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Tranferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Line 34 to Line 47)	(5,132,526)	6,875,504	7,666,050
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	33,173,159	37,515,139	38,305,685
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)			

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	131,938,971	206,957,165
2. Net investment income	606,588	3,293,124
3. Miscellaneous income	12,127	329,224
4. Total (Line 1 through Line 3)	132,557,686	210,579,513
5. Benefit and loss related payments	129,654,505	188,681,182
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	13,076,716	18,714,147
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line9)	142,731,221	207,395,329
11. Net cash from operations (Line 4 minus Line 10)	(10,173,535)	3,184,184
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks	11,378,562	7,820,885
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		320,835
12.7 Miscellaneous proceeds	20,399	
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	11,398,961	8,141,720
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks	10,856,366	3,535,580
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		525,346
13.6 Miscellaneous applications	631,612	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	11,487,978	4,060,926
14. Net increase or (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(89,017)	4,080,794
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(5,265,999)	5,962,681
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(5,265,999)	5,962,681
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(15,528,551)	13,227,659
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	48,224,873	34,997,214
19.2 End of period (Line 18 plus Line 19.1)	32,696,322	48,224,873

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	48,801	287	48,514							
2. First Quarter	44,398	268	43,565				565			
3. Second Quarter	43,402	256	42,555				591			
4. Third Quarter	41,581	246	40,726				609			
5. Current Year										
6. Current Year Member Months	390,417	2,247	382,864				5,306			
Total Member Ambulatory Encounters for Period:										
7. Physician	217,395	1,986	212,454				2,955			
8. Non-Physician	112,844	903	110,407				1,534			
9. Total	330,239	2,889	322,861				4,489			
10. Hospital Patient Days Incurred	8,450	207	7,806				437			
11. Number of Inpatient Admissions	2,999	201	2,376				422			
12. Health Premiums Written (a)	133,768,929	769,892	131,289,452				1,709,585			
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	133,768,929	769,892	131,289,452				1,709,585			
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	135,446,914	779,549	132,936,335				1,731,030			
18. Amount Incurred for Provision of Health Care Services	117,766,340	677,791	115,583,479				1,505,070			

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0299999 - Aggregate accounts not individually listed-uncovered	483,151	130,239	88,922	73,655	228,533	1,004,500
0399999 - Aggregate accounts not individually listed-covered	6,045,914	1,629,752	1,112,723	921,682	2,859,745	12,569,816
0499999 - Subtotals	6,529,065	1,759,991	1,201,645	995,337	3,088,278	13,574,316
0799999 - Total claims unpaid						13,574,316
0899999 - Accrued medical incentive pool and bonus amounts						7,925,549

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 plus 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	10,646,839	113,671,903	865,046	12,709,269	11,511,885	26,083,857
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Line 1 to Line 8)	10,646,839	113,671,903	865,046	12,709,269	11,511,885	26,083,857
10. Healthcare recievables (a)	2,502,761	7,379,397			2,502,761	6,340,170
11. Other non-health						
12. Medical incentive pools and bonus amounts	11,128,173		1,143,614	6,781,934	12,271,787	11,094,121
13. Totals	19,272,251	106,292,506	2,008,660	19,491,203	21,280,911	30,837,808

(a) Excludes \$ loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

No significant change.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No significant change.

3. BUSINESS COMBINATIONS AND GOODWILL

No significant change.

4. DISCONTINUED OPERATIONS

No significant change.

5. INVESTMENTS

No significant change.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No significant change.

7. INVESTMENT INCOME

No significant change.

8. DERIVATIVE INSTRUMENTS

No significant change.

9. INCOME TAXES

No significant change.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No significant change.

11. DEBT

No significant change.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND
COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No significant change.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND
QUASI-REORGANIZATIONS

No significant change.

NOTES TO FINANCIAL STATEMENTS

14. CONTINGENCIES

No significant change.

15. LEASES

No significant change.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No significant change.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

No significant change.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No significant change.

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

No significant change.

20. OTHER ITEMS

No significant change.

21. EVENTS SUBSEQUENT

No significant change.

22. REINSURANCE

No significant change.

23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

No significant change.

24. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

No significant change.

25. INTERCOMPANY POOLING ARRANGEMENTS

No significant change.

26. STRUCTURED SETTLEMENTS

No significant change.

NOTES TO FINANCIAL STATEMENTS

27. HEALTH CARE RECEIVABLES

No significant change.

28. PARTICIPATING POLICIES

No significant change.

29. PREMIUM DEFICIENCY RESERVES

No significant change.

30. ANTICIPATED SALVAGE AND SUBROGATION

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes () No (X)
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes () No ()
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes, date of change:

.....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes () No (X)
- If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes () No (X) N/A ()
- If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2005
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/28/2007
- 6.4

By what department or departments?

MICHIGAN OFFICE OF FINANCIAL & INSURANCE REGULATION [OFIR]
.....
- 6.5

Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes (X) No () N/A ()
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes () No (X)
- 7.2

If yes, give full information

.....
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

.....
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes () No (X)
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....
.....

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes (X) No ()
- 9.11

If the response to 9.1 is No, please explain:

.....
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes () No (X)
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....
.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ()
- 10.2

If yes, indicate the amounts receivable from parent included in the Page 2 amount:

\$ 3,648,043

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes () No (X)
- 11.2

If yes, give full and complete information relating thereto:

.....
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$
13.

Amount of real estate and mortgages held in short-term investments:

\$
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes (X) No ()
- 14.2

If yes, please complete the following:
- | | 1
Prior Year-End Book/
Adjusted Carrying Value | 2
Current Quarter Book/
Adjusted Carrying Value |
|---|--|---|
| 14.21 Bonds | \$ | \$ |
| 14.22 Preferred Stock | \$ | \$ |
| 14.23 Common Stock | \$ 8,276,035 | \$ 7,597,463 |
| 14.24 Short-Term Investments | \$ | \$ |
| 14.25 Mortgage Loans on Real Estate | \$ | \$ |
| 14.26 All Other | \$ 6,839,205 | \$ 6,699,930 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) | \$ 15,115,240 | \$ 14,297,393 |
| 14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above | \$ | \$ |
- 15.1

Has the reporting entity entered into any hedging transactions reported on schedule DB?

Yes () No (X)
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes () No ()

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
MELLON BANK	ONE MELLON CENTER, PITTSBURGH, PA 15258-0001
.....
.....
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes () No (X)

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
N/A	LONGWOOD INVESTMENT ADVISORS	3 RADNOR CORP CENTER, PITTSBURGH, PA
104474	SANFORD BERNSTEIN & CO	ONE NORTHE LEXINGTON AVE, WHITE PLAINS, NY 10601
25587	PIMCO ADVISORS	2187 ATLANTIC STREET, STAMFORD, CT 06902

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

17.2 If no, list exceptions:

.....

.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
0199998 - Life and Annuity - Affiliates						
0299998 - Life and Annuity - Non-Affiliates						
0399998 - Accident and Health - Affiliates						
Accident and Health - Non-Affiliates						
39845	48-0921045	01/01/2008	WESTPORT INSURANCE CORPORATION	OVERLAND PARK, KS 66201	SSL/A/G	Yes
0499998 - Accident and Health - Non-Affiliates						
0599998 - Property/Casualty - Affiliates						
0699998 - Property/Casualty - Non-Affiliates						

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1		Direct Business Only Year to Date							
	Active Status		2	3	4	5	6	7	8	9
			Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Column 2 Through Column 7	Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	L	132,059,344			1,709,585			133,768,929	
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate Other Alien	OT	X X X								
59. Subtotal		X X X	132,059,344			1,709,585			133,768,929	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Total (Direct Business)	(a)	1	132,059,344			1,709,585			133,768,929	
DETAILS OF WRITE-INS										
5801.										
5802.										
5803.										
5898.	Summary of remaining write-ins for Line 58 from overflow page									
5899.	Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)									

(a) Insert the number of "L" responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

SPARROW HEALTH SYSTEM CORPORATE ORGANIZATION CHART

1	2	3	4	5	6
NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	FEI Number	Name of Company
1 3408	SPARROW HEALTH SYSTEM		MI		SPARROW WOMEN'S HOSPITAL ASSOCIATION
2 3408	SPARROW HEALTH SYSTEM		MI	381360584	E.W. SPARROW HOSPITAL ASSOCIATION
3 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		MID-MICHIGAN MRI, INC
4 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		SPARROW PHYSICIANS HEALTH NETWORK
5 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		GRADUATE MEDICAL EDUCATION, INC
6 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		PREMIER
7 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		CAYMICH INSURANCE CO, LTD
8 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		FINCOR HOLDINGS, INC
9 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		NORTH GRAND RIVER COOPERATIVE
10 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		LANSING MEDICAL DENTAL BUILDING
11 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		MEDICAL CENTER WEST CONDO ASSOCIATION
12 3408	E.W. SPARROW HOSPITAL ASSOCIATION		MI		IONIA COUNTY MEMORIAL HOSPITAL
13 3408	SPARROW HEALTH SYSTEM		MI	381358172	CLINTON MEMORIAL HOSPITAL
14 3408	SPARROW HEALTH SYSTEM		MI	386100687	SPARROW FOUNDATION
15 3408	SPARROW HEALTH SYSTEM	95849	MI	382356288	PHYSICIAN HEALTH PLAN OF MID-MICHIGAN
16 3408	PHYSICIANS HEALTH PLAN OF MID-MICHIGAN		MI	383361367	PHYSICIAN HEALTH PLAN SHARED SVCS ORG
17 3408	PHYSICIANS HEALTH PLAN OF MID-MICHIGAN		MI	382594856	PHPMM TPA
18 3408	PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	11537	MI	364497604	PHPMM FAMILYCARE
19 3408	PHYSICIANS HEALTH PLAN OF MID-MICHIGAN	12916	MI	205565219	PHPMM INSURANCE COMPANY
20 3408	SPARROW HEALTH SYSTEM		MI	382543305	SPARROW HOME CARE
21 3408	SPARROW HEALTH SYSTEM		MI	382594856	PHYSICIANS HEALTH NETWORK
22 3408	SPARROW HEALTH SYSTEM		MI	382595963	SPARROW DEVELOPMENT, INC
23 3408	SPARROW DEVELOPMENT, INC		MI		PHARMACY PLUS
24 3408	SPARROW DEVELOPMENT, INC		MI		ST LAWRENCE OR MGT CO, LLC
25 3408	SPARROW DEVELOPMENT, INC		MI		MICHIGAN ATHLETIC CLUB
26 3408	SPARROW DEVELOPMENT, INC		MI		SPARROW PRACTICE MGT COMPANY
27 3408	SPARROW DEVELOPMENT, INC		MI		SPARROW REGIONAL MEDICAL SUPPLY
28 3408	SPARROW HEALTH SYSTEM		MI		CARSON CITY HOSPITAL
29 3408	SPARROW HEALTH SYSTEM		MI		SPARROW SPECIALTY HOSPITAL

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing . However , in the event that your company does not transact the type of business for which the special report must be filed , your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATIONS and provide an explanation following the interrogatory questions .

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

EXPLANATIONS:

.....

BAR CODE:

Document Identifier 365:

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,215,242	2,615,485
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	268,617	400,243
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 4 minus Line 5 plus Line 6 minus Line 7 plus Line 8)	1,946,625	2,215,242
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	1,946,625	2,215,242

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding	NONE	
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	7,905,678	7,294,899
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(465,697)	610,779
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	7,439,981	7,905,678
12. Deduct total nonadmitted amounts	740,051	1,066,473
13. Statement value at end of current period (Line 11 minus Line 12)	6,699,930	6,839,205

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	17,772,897	22,480,212
2. Cost of bonds and stocks acquired	10,856,366	3,535,580
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	(1,126,189)	
5. Total gain (loss) on disposals	(609,410)	(422,010)
6. Deduct consideration for bonds and stocks disposed of	11,378,562	7,820,885
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	15,515,102	17,772,897
11. Deduct total nonadmitted amounts	55,029	
12. Statement value at end of current period (Line 10 minus Line 11)	15,460,073	17,772,897

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	35,579,260	1,845,509	1,690,808	909,317	44,030,434	35,579,260	36,643,278	53,050,492
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	35,579,260	1,845,509	1,690,808	909,317	44,030,434	35,579,260	36,643,278	53,050,492
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	35,579,260	1,845,509	1,690,808	909,317	44,030,434	35,579,260	36,643,278	53,050,492

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	36,643,278	X X X	36,643,278	804,594

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	53,050,491	40,312,142
2. Cost of short-term investments acquired	6,635,491	13,630,292
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	23,042,704	891,943
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	36,643,278	53,050,491
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	36,643,278	53,050,491

Page SI04

Schedule DB, Pt. F, Section 1, Replicated (Synthetic) Assets Open
NONE

Page SI05

Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets
NONE

SCHEDULE E - VERIFICATION
(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Accrual of discount		
4. Unrealized valuation incre		
5. Total gain (loss) on disp		
6. Deduct consideration rec		
7. Deduct amortization of pi		
8. Total foreign exchange cl		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Common Stocks - Public Utilities (Unaffiliated)									
976657-10-6	WISCONSIN ENERGY CORP COM		08/28/2008	FX- CREDIT SUISSE FI	300.000	13,987			L
6699999	Subtotal - Common Stocks - Public Utilities (Unaffiliated)					13,987			
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)									
172967-10-1	CITIGROUP INC COM		09/22/2008	SHERWOOD SECS/BROADC	1,000.000	20,019			L
316773-10-0	FIFTH THIRD BANCORP		09/25/2008	MORGAN STANLEY & CO	700.000	11,479			L
38141G-10-4	GOLDMAN SACHS GROUP INC COM		09/12/2008	CITIGROUP GBL MKTS/S	115.000	17,926			L
416515-10-4	HARTFORD FINL SVCS GROUP INC COM		07/15/2008	VARIOUS	500.000	30,953			L
929903-10-2	WACHOVIA CORP NEW COM		08/01/2008	UBS SECURITIES INC,	800.000	14,344			L
G98255-10-5	XL CAPITAL LTD	F	09/17/2008	VARIOUS	800.000	14,677			L
6799999	Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)					109,398			
Common Stocks - Industrial and Miscellaneous (Unaffiliated)									
031162-10-0	AMGEN INC COM		07/02/2008	CITATION GROUP, NY	350.000	17,097			L
037411-10-5	APACHE CORP COM		07/25/2008	VARIOUS	375.000	42,346			L
152312-10-4	CENTEX CORP COM		08/28/2008	FX- SHEARSON LEHMAN	1,000.000	15,402			L
25179M-10-3	DEVON ENERGY CORP NEW COM		09/24/2008	FX- CREDIT SUISSE FI	375.000	37,499			L
364730-10-1	GANNETT INC COM		07/10/2008	INVESTMENT TECHNOLOG	400.000	7,360			L
37247D-10-6	GENWORTH FINL INC COM		07/25/2008	FX- SHEARSON LEHMAN	825.000	13,793			L
464287-46-5	ISHARES TR MSCI EAFE INDEX FD		08/22/2008	CANTOR FITZGERALD/BG	21,041.000	1,324,931			L
464287-61-4	ISHARES RUSSELL 1000 GROWTH INDEX FUND		08/22/2008	CANTOR FITZGERALD/BG	58,387.000	3,231,557			L
589331-10-7	MERCK & CO INC COM		07/01/2008	GOLDMAN SACHS EXECUT	200.000	7,656			L
617446-44-8	MORGAN STANLEY		07/31/2008	CITATION GROUP, NY	800.000	31,548			L
67066G-10-4	NVIDIA CORP COM		09/17/2008	VARIOUS	2,000.000	21,401			L
759351-50-5	REINSURANCE GROUP AM		09/12/2008	MERGER	15.200	647			L
75952B-10-5	RELIANT ENERGY INC		08/28/2008	NUTMEG SECURITIES, W	900.000	15,246			L
852061-10-0	SPRINT NEXTEL CORP COM SER 1		09/17/2008	PIPELINE TRADING SYS	1,200.000	6,979			L
887317-10-5	TIME WARNER INC COM NEW		09/30/2008	GOLDMAN SACHS EXECUT	1,600.000	20,918			L
958102-10-5	WESTERN DIGITAL CORP DEL COM		08/28/2008	FX- CREDIT SUISSE FI	1,000.000	28,170			L
294821-60-8	ERICSSON L M TEL CO ADR CL B SEK 10 NEW	F	09/17/2008	LIQUIDNET INC, BROOK	2,400.000	23,748			L
6899999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					4,846,298			
7299997	Subtotal - Common Stocks - Part 3					4,969,683			
7299999	Subtotal - Common Stocks					4,969,683			
7399999	Subtotal - Preferred and Common Stocks					4,969,683			
7499999	TOTALS					4,969,683			

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE Physicians Health Plan of Mid-Michigan

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold , Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book / Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B. /A. C. V. (11+12-13)	Total Foreign Exchange Change in B. /A. C. V.	Book / Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Maturity Date	NAIC Designa- tion or Market Indi- cator (a)
Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)																					
313400-30-1	FEDERAL HOME LOAN MORTGAGE CORP		09/18/2008	SHERWOOD SECS/BROADC	1,400.000	477		44,568	10,221	8,292			8,292		44,568		(44,091)	(44,091)	712		L
313586-10-9	FANNIE MAE		09/18/2008	FX- CREDIT SUISSE FI	1,000.000	481		27,722	4,998	889			889		2,722		(27,241)	(27,241)	444		L
59156R-10-8	METLIFE INC COM		09/12/2008	VARIOUS	387.000	20,859		23,884	18,486	379			379		23,884		(3,025)	(3,025)			L
929903-10-2	WACHOVIA CORP NEW COM		09/29/2008	SHERWOOD SECS/BROADC	2,300.000	8,539		55,953							55,953		(47,414)	(47,414)	678		L
6799999	Subtotal - Common Stocks - Banks, Trust and Insurance Companies (Unaffiliated)					30,356		152,127	33,705	9,560			9,560		127,127		(121,771)	(121,771)	1,834		
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
03073E-10-5	AMERISOURCEBERGEN CORP COM		08/08/2008	BANC OF AMERICA SEC	1,100.000	47,310		46,752	15,705	(21)			(21)		46,752		558	558	109		L
031162-10-0	AMGEN INC COM		08/29/2008	CITIGROUP GBL MKTS/S	130.000	8,279		6,350							6,350		1,929	1,929			L
149123-10-1	CATERPILLAR INC		07/08/2008	MORGAN J P SECS INC,	400.000	27,771		28,734	12,698	112			112		28,734		(964)	(964)	207		L
30231G-10-2	EXXON MOBIL CORP		09/19/2008	VARIOUS	675.000	52,674		47,385	46,845	(14,780)					47,385		5,289	5,289	635		L
369604-10-3	GENERAL ELEC CO COM		06/19/2008	MORGAN STANLEY & CO															248		L
370442-10-5	GENERAL MTRS CORP COM		07/25/2008	CITATION GROUP, NY	1,600.000	19,192		41,225	10,578	3,502			3,502		41,225		(22,033)	(22,033)	506		L
524908-10-0	LEHMAN BROS HLDGS INC COM		09/11/2008	SHERWOOD SECS/BROADC	400.000	1,623		11,200							11,200		(9,577)	(9,577)	68		L
590188-10-8	MERRILL LYNCH & CO INC		07/23/2008	CITIGROUP GBL MKTS/S	325.000	10,987		16,070							16,070		(5,083)	(5,083)	114		L
666807-10-2	NORTHROP GRUMMAN CORP COM		09/24/2008	VARIOUS	600.000	39,122		46,671	25,558	(1,461)			(1,461)		46,671		(7,549)	(7,549)	440		L
701094-10-4	PARKER HANNIFIN CORP COM		07/23/2008	MORGAN J P SECS INC,	350.000	24,100		22,834	7,908						22,834		1,266	1,266	96		L
717081-10-3	PFIZER INC COM STK USD0.05		08/26/2008	INVESTMENT TECHNOLOG	1,200.000	23,165		29,322	27,276	(880)			(880)		29,322		(6,157)	(6,157)	1,152		L
87234N-30-2	TCW SELECT EQUITIES FUND		08/21/2008	NON-BROKER TRADE, BO	185,404.000	3,231,595		3,278,130	1,295,834	2,046			2,046		3,278,130		(46,535)	(46,535)			L
92343V-10-4	VERIZON COMMUNICATIONS COM		09/10/2008	FX- CREDIT SUISSE FI	1,300.000	45,202		49,992	30,583	(52,704)			(52,704)		49,992		(4,790)	(4,790)	1,419		L
92857W-20-9	VODAFONE GROUP PLC NEW SPONSORED ADR	F	07/31/2008	PIPELINE TRADING SYS	1,000.000	28,599		32,038		(2,078)			(2,078)		32,038		(3,439)	(3,439)	2,004		L
Y2573F-10-2	FLEXTRONICS INTERNATIONAL LTD	F	09/02/2008	MORGAN STANLEY & CO	1,600.000	14,178		16,389							16,389		(2,211)	(2,211)			L
6899999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					3,573,797		3,673,092	1,472,985	(66,264)			(51,484)		3,673,092		(99,296)	(99,296)	6,998		
Common Stocks - Mutual Funds																					
26200C-52-8	DREYFUS PREMIER INTERNATIONAL VALUE F		08/21/2008	NON-BROKER TRADE, BO	109,137.000	1,324,929		1,726,295	610,980	175,316			175,316		1,726,295		(401,367)	(401,367)			L
7099999	Subtotal - Common Stocks - Mutual Funds					1,324,929		1,726,295	610,980	175,316			175,316		1,726,295		(401,367)	(401,367)			
7299997	Subtotal - Common Stocks - Part 4					4,929,082		5,551,514	2,117,670	118,612			133,392		5,526,514		(622,434)	(622,434)	8,832		
7299999	Subtotal - Common Stocks					4,929,082		5,551,514	2,117,670	118,612			133,392		5,526,514		(622,434)	(622,434)	8,832		
7399999	Subtotal - Preferred and Common Stocks					4,929,082		5,551,514	2,117,670	118,612			133,392		5,526,514		(622,434)	(622,434)	8,832		
7499999	TOTALS					4,929,082		5,551,514	2,117,670	118,612			133,392		5,526,514		(622,434)	(622,434)	8,832		

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues

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Schedule DB, Part A, Section 1
NONE

Schedule DB, Part B, Section 1
NONE

Page E07

Schedule DB, Part C, Section 1
NONE

Schedule DB, Part D, Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information					First Month	Second Month	Third Month	
Open Depositories									
COMERICA BANK	LANSING, MICHIGAN					(3,015,143)	(2,984,350)	(3,946,956)	
CHASE MANHATTAN BANK	LANSING, MICHIGAN					30,457			
0199999 - TOTAL - Open Depositories						(2,984,686)	(2,984,350)	(3,946,956)	
0399999 - TOTAL Cash on Deposit						(2,984,686)	(2,984,350)	(3,946,956)	
0599999 - TOTALS						(2,984,686)	(2,984,350)	(3,946,956)	

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Schedule E, Part 2, Cash Equivalents
NONE



MEDICARE PART D COVERAGE SUPPLEMENT
(Net of Reinsurance)

NAIC Group Code: 3408 NAIC Company Code: 95849

	1	2	3	4	5
	Individual Coverage		Group Coverage		Total Cash
	Insured	Uninsured	Insured	Uninsured	
1. Premiums Collected	<div>NONE</div>				XXX
2. Earned Premiums					XXX
3. Claims Paid					XXX
4. Claims Incurred					XXX
5. Reinsurance Coverage and Low Income (
Claims Paid Net of Reimbursements App					
6. Aggregate Policy Reserves - Change ...					XXX
7. Expenses Paid					XXX
8. Expenses Incurred					XXX
9. Underwriting Gain or Loss					XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	
(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ due from CMS or \$ due to CMS					